

FIRST REGULAR SESSION  
[P E R F E C T E D]  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 578**  
**91ST GENERAL ASSEMBLY**

---

Reported from the Committee on Public Health and Welfare, March 27, 2001, with recommendation that the Senate Committee Substitute do pass.

Senate Committee Substitute for Senate Bill No. 578, adopted April 25, 2001.

Taken up for Perfection April 25, 2001. Bill declared Perfected and Ordered Printed, as amended.

TERRY L. SPIELER, Secretary.

2140S.02P

---

**AN ACT**

To repeal sections 208.471 and 208.480, RSMo 2000, and to enact in lieu thereof two new sections relating to the hospital federal reimbursement allowance program, with an expiration date.

---

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 208.471 and 208.480, RSMo 2000, are repealed and two new sections enacted in lieu thereof, to be known as sections 208.471 and 208.480, to read as follows:

208.471. 1. The department of social services shall make payments to those hospitals which have a Medicaid provider agreement with the department. **Prior to June 30, 2002**, the payment shall be in an annual, aggregate statewide amount which is at least the same as that paid in fiscal year 1991-1992 pursuant to rules in effect on August 30, 1991, under the federally approved state plan amendments.

2. **Beginning July 1, 2002, sections 208.453 to 208.480 shall expire one hundred eighty days after the end of any state fiscal year in which the aggregate federal reimbursement allowance (FRA) assessment on hospitals is more than eighty-five percent of the sum of aggregate direct Medicaid payments, uninsured add-on payments and enhanced graduate medical education payments, unless during such one hundred**

**EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

**eighty-day period, such payments or assessments are adjusted prospectively by the director of the department of social services to comply with the eighty-five percent test imposed by this subsection. Enhanced graduate medical education payments shall not be included in the calculation required by this subsection if the general assembly appropriates the state's share of such payments from a source other than the federal reimbursement allowance. For purposes of this section, direct Medicaid payments, uninsured add-on payments and enhanced graduate medical education payments shall:**

**(1) Include direct Medicaid payments, uninsured add-on payments and enhanced graduate medical education payments as defined in state regulations as of July 1, 2000;**

**(2) Include payments that substantially replace or supplant the payments described in subdivision (1) of this subsection;**

**(3) Include new payments that supplement the payments described in subdivision (1) of this subsection; and**

**(4) Exclude payments and assessments of acute care hospitals with an unsponsored care ratio of at least sixty-five percent that are licensed to operate less than fifty inpatient beds in which the state's share of such payments are made by certification.**

**3. The division of medical services may provide an alternative reimbursement for outpatient services. Other provisions of law to the contrary notwithstanding, the payment limits imposed by subdivision (2) of subsection 1 of section 208.152 shall not apply to such alternative reimbursement for outpatient services. Such alternative reimbursement may include but shall not be limited to enhanced payments or grants to hospital-sponsored clinics serving low income uninsured patients.**

**4. Notwithstanding any law, statute or rule, hospital and clinics associated with a land grant university shall be reimbursed at no lower level than any other hospital in the state of Missouri.**

**208.480. Notwithstanding the provisions of section 208.471 to the contrary, sections 208.453 to 208.480 shall expire on September 30, [2001] 2004.**